REMARKS

As a preliminary matter, Applicants have amended the title to a more descriptive title. Accordingly, withdrawal of the Examiner's objection to the title is respectfully requested.

Applicants appreciate the Examiner's indication that Claims 1-7 and 13-21 have been allowed.

Claim 22 stands rejected under 35 U.S.C. §102(e) as being anticipated by United States Patent No. 6,185,078 to Lin et al. Applicants respectfully traverse this rejection.

The Lin et al. reference fails to disclose all of the features of the present invention. In particular, the Lin et al. reference fails to disclose a magneto-resistive magnetic sensor that includes, *inter alia*, "an oxidation resistant conductive layer [that] is substantially entirely interposed in an area between said cap layer and said overhang part," as defined in independent Claim 22.

One example of an oxidation resistant conductive layer of the invention of Claim 22 is layer 110 of Applicants' Figures 3A-3H. As shown in these figures, layer 110 is substantially entirely interposed in an area between cap layer 109 and the (un-numbered) overhang parts of electrodes 117A and 117B.

In contrast, in the device of Lin et al., layer 256 of Figure 11 (which the Examiner has equated with the oxidation resistant conductive layer), extends well beyond the overhang parts of electrodes 258. In fact, as shown in Figure 11 of Lin et al., layer 256

extends below the entire area of the electrodes 258, and not just below the overhang parts.

Thus, layer 256 of Lin et al. can not be considered as the claimed "oxidation resistant

conductive layer" because it is not "substantially entirely interposed in an area between said

cap layer and said overhang part," as defined in independent Claim 22. Accordingly, as all of

the features of independent Claim 22 are not disclosed in the Lin et al., reference, Applicants

respectfully request the withdrawal of this §102(e) rejection.

For all of the above reasons, Applicants request reconsideration and allowance

of the claimed invention. Should the Examiner be of the opinion that a telephone conference

would aid in the prosecution of the application, or that outstanding issues exist, the Examiner

is invited to contact the undersigned.

Respectfully submitted,

GREER, BURNS & CRAIN, LTD.

James K. Folker

Registration No. 37,538

August 25, 2004

300 South Wacker Drive, Suite 2500

Chicago, Illinois 60606

Telephone: (312) 360-0080

Facsimile: (312) 360-9315

Customer No. 24978

P:\DOCS\0941\65074\631093.DOC